



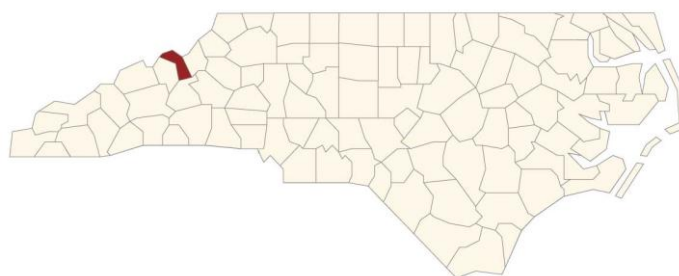
On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

American Recovery and Reinvestment Act Report, Mitchell County

Mitchell County received more than \$18 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Mitchell County total.



Pell Grant Awards:
627



Small Business Jobs:
6

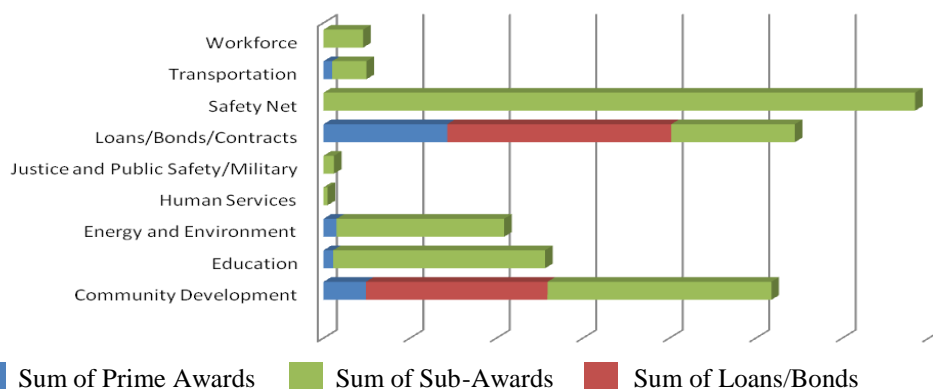


Appliances rebated:
20



Family homes financed:
11

Mitchell County Totals



Mitchell County,
pop 15,687 at a glance:

Recovery Act Totals:
Grants: \$ 13,987,253.02
Loans: \$ 4,691,104

Total: \$18,678,357.02



Education

The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

Mitchell County schools received \$3.5 million in education funding, including \$500,000 in Special Education funds, \$350,000 in Title I funds, \$1.5 million in SFSF funds, and \$200,000 in Race to the Top funding.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

In Mitchell County, Mayland Community College had 627 students funded by Pell Grants; these grants were worth \$700,000.



Family Assistance

The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

In Mitchell County, 11 families received assistance through this program totaling more than \$1.5 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office

reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

Mitchell County retailers sold 20 appliances through the Energy Star Appliance rebate program.



Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

In Mitchell County, 1 small business received SBA loan guarantees worth \$700,000. According to the small business receiving this loan, the Recovery Act saved or created 6 jobs.



Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

In Mitchell County, \$3,563 was received in assistance to farmers because of crop loss to natural disasters.



CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

In Mitchell County, car dealers sold 31 cars worth \$740,000 through the ARRA CARS program.



Justice and Public Safety Programs

ARRA increased funding to the federal Byrne Justice Assistance Grants Program (JAG). JAG funds were awarded both as a formula allocation to the State, for \$34.5 million, and grants distributed by the Governor's Crime Commission to various local governments and entities. In addition, \$21,853,798 went to 216 local governments across the state for various purposes in line with the requirements of the act. Finally, there is a federal competitive portion that was open to state or local government applicants.

In Mitchell County, the Mitchell County Government and Mitchell County Safe Place received JAG program grants worth \$120,000.



Broadband Programs

The Recovery Act funded two dedicated high-speed broadband programs, the USDA's Broadband Initiatives Program (BIP), and the US Department of Commerce's Broadband Technology Opportunities Program (BTOP). The BIP focused on the creation of new service or the expansion of existing services in rural areas, while the BTOP focused on statewide or regional development of important broadband infrastructure.

In Mitchell County, the Mitchell County Courthouse program received a BTOP grant for \$240,000.



Environment and Natural Resources Programs

ARRA funded several programs to protect the environment, or to develop natural resources more efficiently. These programs ranged from environmental clean-up, such as leaking underground storage tank abatement and Brownfields programs, to EPA clean air grants, wildfire prevention grants, and revolving funds to build, expand, or overhaul existing water and sewer programs. These programs provided nearly \$150 million across North Carolina.

In Mitchell County, the Mitchell County Government received a drinking water grant worth \$1.5 million.



Arts Programs

The American Recovery and Reinvestment Act provided \$50 million to be distributed in direct grants to fund arts projects and activities which preserve jobs in the nonprofit arts sector threatened by declines in philanthropic and other support during the current economic downturn. Forty percent of such funds were distributed to State arts agencies and regional arts organizations and 60 percent of the funds were competitively awarded to nonprofit organizations that met the eligibility criteria established for this program.

In Mitchell County, Penland School of Crafts, Inc. received a NEA grant for \$50,000 to maintain jobs in nonprofit arts.



Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

In Mitchell County, Mayland Community College received an EECBG grant for \$41,412 to improve lighting and exit signs along with installing occupancy sensors. Spruce Pine received \$66,937 for the installation of a solar photovoltaic system to be located on the roof of a vacant service station in downtown Spruce Pine. The solar system will produce a 12.3 percent energy cost reduction in the first year of operation for Craftsmen Inc./The Calafate Group. The energy generated from the solar system will be used to partially offset the costs associated with operating drying kilns which are used in the manufacturing process to dry, sterilize, and convert large sections of tree bark into the company's "Bark House" brand exterior shingles. Additionally, Highland Craftsmen received a direct grant of \$73,975 to improve energy efficiency of the drying kilns expected to result in 65,376kWh of energy savings annually.



Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

Mitchell County residents received \$4.5 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$1 million in SNAP benefit increases, and \$1 million in one-time payments of \$250 to social security recipients.

Mitchell County received more than \$200,000 for Head Start Programs.

Mitchell County Feature Story

Mitchell County Courthouse

The Mitchell County Courthouse was constructed at the turn of the last century. Completed in 1907, the building was the courthouse in Bakersville, NC. The courthouse was added to the National Register of Historic Places on May 10, 1979 and represents significant aspects of the cultural, political and economic heritage of the community, the county and the region.

The courthouse is owned by a foundation that works with various entities to protect and preserve the unique and important view of history through the exhibits and archives displayed in the restored and preserved historic structure.

The Foundation also seeks to improve the local economy and quality of life conditions for the people of Mitchell County by renovating the Historic Courthouse to become a fully functional center for educational, cultural, and economic activity. This will provide the foundation and infrastructure to address many of the problems that are faced by the people of Mitchell County with an emphasis on stimulating the current business climate.



The Foundation made an application for Round 1 of the US Department of Commerce's Broadband Technology Opportunities Program (BTOP) to provide for high-speed and Wi-Fi availability in downtown Bakersville, NC, the only location in the county that is a high-speed hotspot. The goal was to create an environment conducive to new business and industry and create new jobs by helping the people of our communities to develop the knowledge, skills, attitudes, and attributes of a productive workforce and a community concerned and engaged citizenry.

The project was awarded \$239,194 to upgrade the Mitchell County Virtual Learning and Communications Center and the project plans to double the number of public computer workstations available and provide job training and educational courses through the local community college and extension service. Mayland Community

College and the North Carolina Cooperative Extension Service plan to use two new videoconferencing systems provided with grant funds to provide courses and workshops for a broad audience.

The project expects to provide 28 laptops that can be checked out from the courthouse. These will serve over 300 users per week with broadband access and training that will address specific educational and communication needs of displaced workers, farmers, high school dropouts, residents wanting college courses, healthcare workers, EMS personnel, educators, government officials, and small business owners.

The groundbreaking for the project was in early May, 2010. Work on the broadband implementation continues, but the Foundation still holds regular classes and workshops on site.



Appendix, Mitchell County breakout

Federal Agency	Program Title	Recipient name	Recipient role ⁱ	Prime Amount ⁱⁱ	Unique Sub Awards ⁱⁱⁱ	Loans	Additional Economic Activity (not counted toward totals) ^{iv}
	Bonds		P			\$0.00	
	Cash for Clunkers		S		\$129,500.00		
	Federal Pell Grant Program	Mayland Community College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$1,566,104.00	
Administration for Children and Families	ARRA - Child Care and Development Block Grant	Mitchell, County Of	S	\$0.00	\$46,211.35	\$0.00	
	ARRA - Head Start	Intermountain Children's Services, Inc.	P	\$110,745.00		\$0.00	\$110,745.00
		United Health Care	PV	\$0.00		\$0.00	\$86,958.09
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$1,087,257.82		
Department of Energy	Energy Efficiency and Conservation Block Grant Program (EECBG)	Mayland Community College	S	\$0.00	\$41,412.00	\$0.00	
		Mitchell Community College	S	\$0.00	\$44,000.00	\$0.00	
Department of Housing and Urban Development	Public Housing Capital Fund Formula (Recovery Act Funded)	Spruce Pine Housing Authority	P	\$200,625.00		\$0.00	\$200,625.00
Department of Justice	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Mitchell, County Of	S	\$0.00	\$14,979.87	\$0.00	
				\$0.00	\$14,979.87	\$0.00	
	Recovery Act - State Victim Assistance Formula Grant Program	Mitchell County Safe Place	S	\$0.00	\$91,119.76	\$0.00	
Department of Labor	Unemployment Insurance	Multiple Individuals	S		\$4,721,651.50		

Environmental Protection Agency	Capitalization Grants for Drinking Water State Revolving Funds	Mitchell, County Of	S	\$0.00	\$1,569,263.00	\$0.00
Federal Highway Administration	Highway Planning and Construction	North Carolina Department Of Transportation	P	\$100,551.00		\$0.00 \$100,551.00
		Site Development Corporation	PV	\$0.00		\$0.00 \$93,351.71
Federal Transit Administration	Formula Grants for Other Than Urbanized Areas	Mitchell, County Of	S	\$0.00	\$202,360.00	\$0.00
Forest Service	No CFDA for Contract type awards	AGRR Corporation	P	\$289,731.50		\$0.00 \$234,331.50
		Ecs Carolinas LLP	S	\$0.00		\$0.00 \$10,100.00
		Hemphill Concrete Finishing	S	\$0.00		\$0.00 \$45,300.00
		Perry Bartsch Jr. Construction Company	P	\$486,760.00		\$0.00 \$486,760.00
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P			\$0.00 \$4,834.50
National Endowment for the Arts	Promotion of the Arts_Grants to Organizations and Individuals	Penland School Of Crafts Inc	P	\$50,000.00		\$0.00 \$50,000.00
National Park Service.	No CFDA for Contract type awards	Tab Construction Company, Inc.	P	\$414,285.00		\$0.00 \$414,285.00
National Telecommunication and Information Administration	Broadband Technology Opportunities Program (BTOP)	Mitchell County Historic Courthouse Foundation, The	P	\$239,194.00		\$0.00 \$239,194.00
	No CFDA for Contract type awards	Mitchell County Historic Courthouse Foundation, The	P	\$239,194.00		\$0.00 \$239,194.00
Office of Elementary and Secondary Education	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Mayland Community College	S	\$0.00	\$319,352.35	\$0.00
		Mitchell County Board Of Education	S	\$0.00	\$1,350,024.00	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Mitchell County Board Of Education	S	\$0.00	\$233,849.00	\$0.00
	Title I Grants to Local	Mitchell County Board Of	S	\$0.00	\$350,434.00	\$0.00

	Educational Agencies, Recovery Act	Education					
Office of Special Education and Rehabilitative Services	Special Education Grants to States, Recovery Act	Mitchell County Board Of Education	S	\$0.00	\$456,773.00	\$0.00	
Rural Housing Service	Recovery Act of 2009: Capital Improvement and Maintenance	Penland School Of Crafts Inc	P	\$0.00		\$2,100,000.00	\$2,100,000.00
Small Business Administration	Loans	Dr. Kelly Georgeou Dbm Mitchel	L			\$1,025,000.00	
SSA	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$1,033,000.00		
U.S. Fish and Wildlife Service	Recovery Act Funds - Habitat Enhancement, Restoration and Improvement.	Blue Ridge Resource Conservation And Development Council	P	\$150,000.00		\$0.00	\$150,000.00
USDA							
Grand Total				\$2,281,085.50	\$11,706,167.52	\$4,691,104.00	\$4,566,229.80

ⁱ Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

ⁱⁱ Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to www.federalreporting.gov

ⁱⁱⁱ Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

^{iv} Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.